

Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 02906 230726Z
ACTION EB-08

INFO OCT-01 EA-10 ISO-00 OPIC-03 COME-00 STR-07
CIAE-00 INR-10 NSAE-00 AID-05 /044 W
-----126699 231023Z /14
R 230600Z FEB 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 5484

LIMITED OFFICIAL USE TOKYO 2906

E.O. 11652: N/A
TAGS: ETRD, JA
SUBJECT: PHOSPHATE FERTILIZERS

REF: (A) STATE 20889, (B) 77 STATE 289459, (C) 77 TOKYO 11117

1. SUMMARY: GOJ REACTION TO OUR REPRESENTATION ON IMPORTS OF PHOSPHATE FERTILIZERS HAS BEEN TO REPEAT ITS EARLIER STATEMENTS THAT THE GOJ IS NOT ORCHESTRATING A TRADE RESTRICTIVE POLICY, AND THAT REDUCED IMPORTS ARE VOLUNTARY ACTIONS BY JAPANESE BUYERS. GIVEN THE SEVERELY DEPRESSED STATE OF JAPAN'S CHEMICAL FERTILIZER INDUSTRY AND ITS DETERMINED RESISTANCE TO INCREASED IMPORTS OF SECONDARY PHOSPHATE COMPOUNDS, WE DO NOT EXPECT A POSITIVE REACTION TO OUR PROTESTS FROM GOJ OFFICIALS. END SUMMARY.

2. EMBASSY DELIVERED AIDE MEMOIRE TO GOJ EXPRESSING CONCERN ABOUT RESTRICTIONS ON IMPORTS OF PHOSPHATIC FERTILIZER COMPOUNDS, AND WE HAVE BEEN INFORMED THAT NO RESTRICTIONS HAVE BEEN IMPOSED. IMPORTERS, WE ARE TOLD, AFTER CONSULTATIONS WITH MITI, HAVE RECEIVED "ADVICE" AND HAVE "VOLUNTARILY" DECIDED TO RESTRICT THEIR INTAKE OF SECONDARY PHOSPHATE COMPOUNDS. THIS RESPONSE ESSENTIALLY RESTATES THE MITI VIEW REPORTED IN REF C.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 02906 230726Z

3. WHATEVER WE MAY THINK OF SUCH "ADVICE" AND "VOLUNTARY" RESPONSES, IT IS CLEAR THAT MITI IS STRONGLY COMMITTED TO SEEKING RELIEF FOR ONE OF JAPAN'S MOST SEVERELY DEPRESSED INDUSTRIES. WITH OPERATIONS CURRENTLY AT LESS THAN 50 PERCENT OF CAPACITY, CHEMICAL FERTILIZER PRODUCERS ARE A PRIME TARGET FOR GOJ-SPONSORED RESTRUCTURING PROGRAMS THAT

WOULD RESULT IN SUBSTANTIAL CUT-BACKS OF FACILITIES AND EMPLOYEES. ANY MOVE THAT WOULD EXACERBATE THIS PROBLEM, SUCH AS INCREASED IMPORTS OF FERTILIZER COMPOUNDS OR ESTABLISHMENT OF NEW PRODUCTION FACILITIES IN JAPAN, WOULD OBVIOUSLY MEET STRONG INDUSTRY/MITI OPPOSITION. A GOOD EXAMPLE OF THIS ATTITUDE IS THE FRIGID RECEPTION ACCORDED BY JAPANESE GOVT AND INDUSTRY OFFICIALS TO A RECENT ATTEMPT BY BEKER INTERNATIONAL TO ESTABLISH A CHEMICAL FERTILIZER FACTORY HERE.

4. IN PRINCIPLE, WE CAN TAKE ISSUE WITH GOJ EFFORTS TO PROP UP AN UNCOMPETITIVE INDUSTRY THROUGH MAINTAINING AN ARTIFICIALLY HIGH DOMESTIC PRICE FOR PHOSPHATIC FERTILIZER COMPOUNDS AND (IN FACT IF NOT IN NAME) RESTRICTING LESS EXPENSIVE IMPORTS. IN PRACTICE, OUR ABILITY IN THIS CASE TO INFLUENCE GOJ OFFICIALS THROUGH QUESTIONS AND AIDE-MEMOIRES IS LIMITED. GIVEN THE DETERMINED, EVEN EMOTIONAL DOMESTIC INDUSTRY RESISTANCE TO EXPANDED IMPORTS OF PHOSPHATE COMPOUNDS, MITI IS UNABLE TO BUDGE FROM ITS PRESENT POSITION.
MANSFIELD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PHOSPHATES, FERTILIZERS, NEGOTIATIONS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TOKYO02906
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780083-0985
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780220/aaaaaqmb.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 472e08d1-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 20889, 77 STATE 289459, 77 TOKYO 11117
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3498511
Secure: OPEN
Status: NATIVE
Subject: PHOSPHATE FERTILIZERS
TAGS: ETRD, EMIN, JA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/472e08d1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014